

Department of Health and Human Services Information Technology

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FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Agenda

- IT Expenditures
- IT Project Management
- IT Projects
- MMIS
- State CIO Responsibilities
- Questions



IT Expenditures

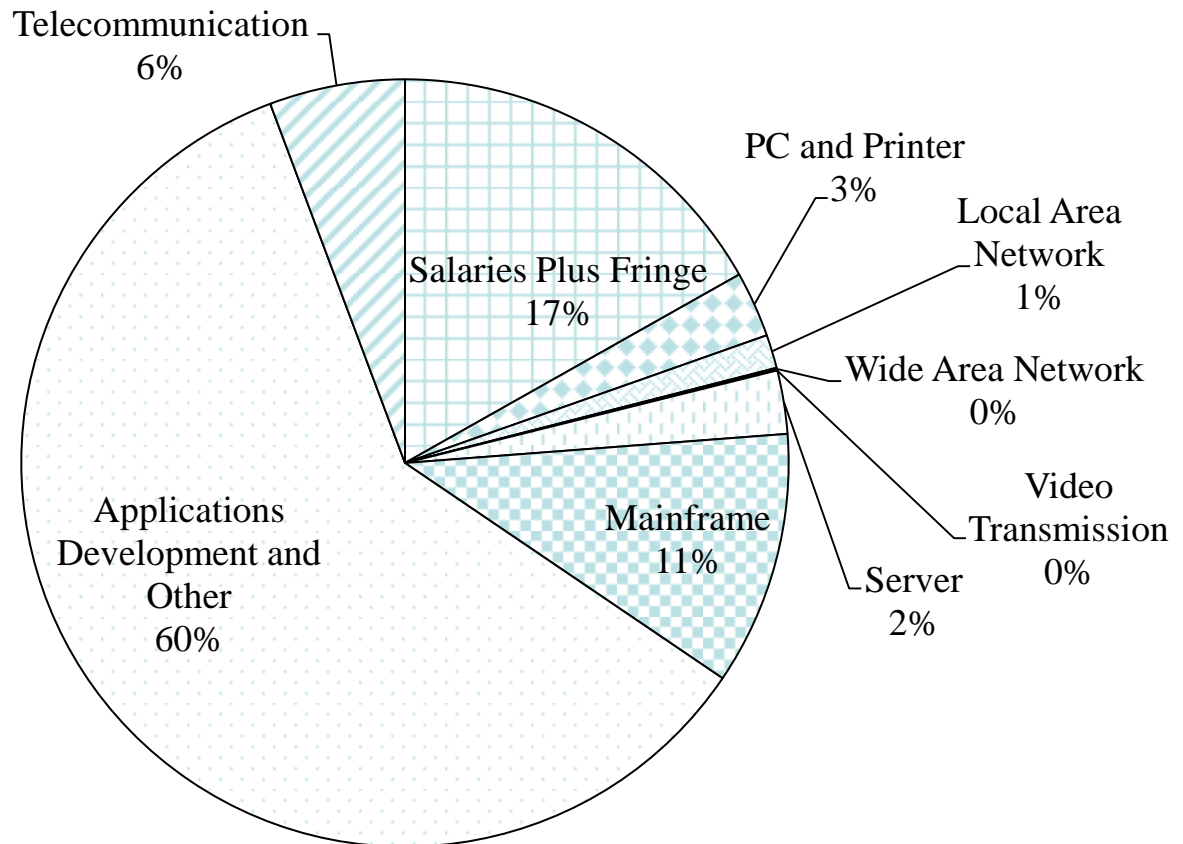
for Year Ending June 30, 2011

Salaries Plus Fringe	\$33,285,079
PC and Printer	\$5,486,109
Local Area Network	\$2,784,726
Wide Area Network	\$217,415
Video Transmission	\$4,020
Server	\$5,282,058
Mainframe	\$21,147,142
Applications Development and Other	\$118,307,053
Telecommunication	\$11,296,888
Total	\$197,810,490

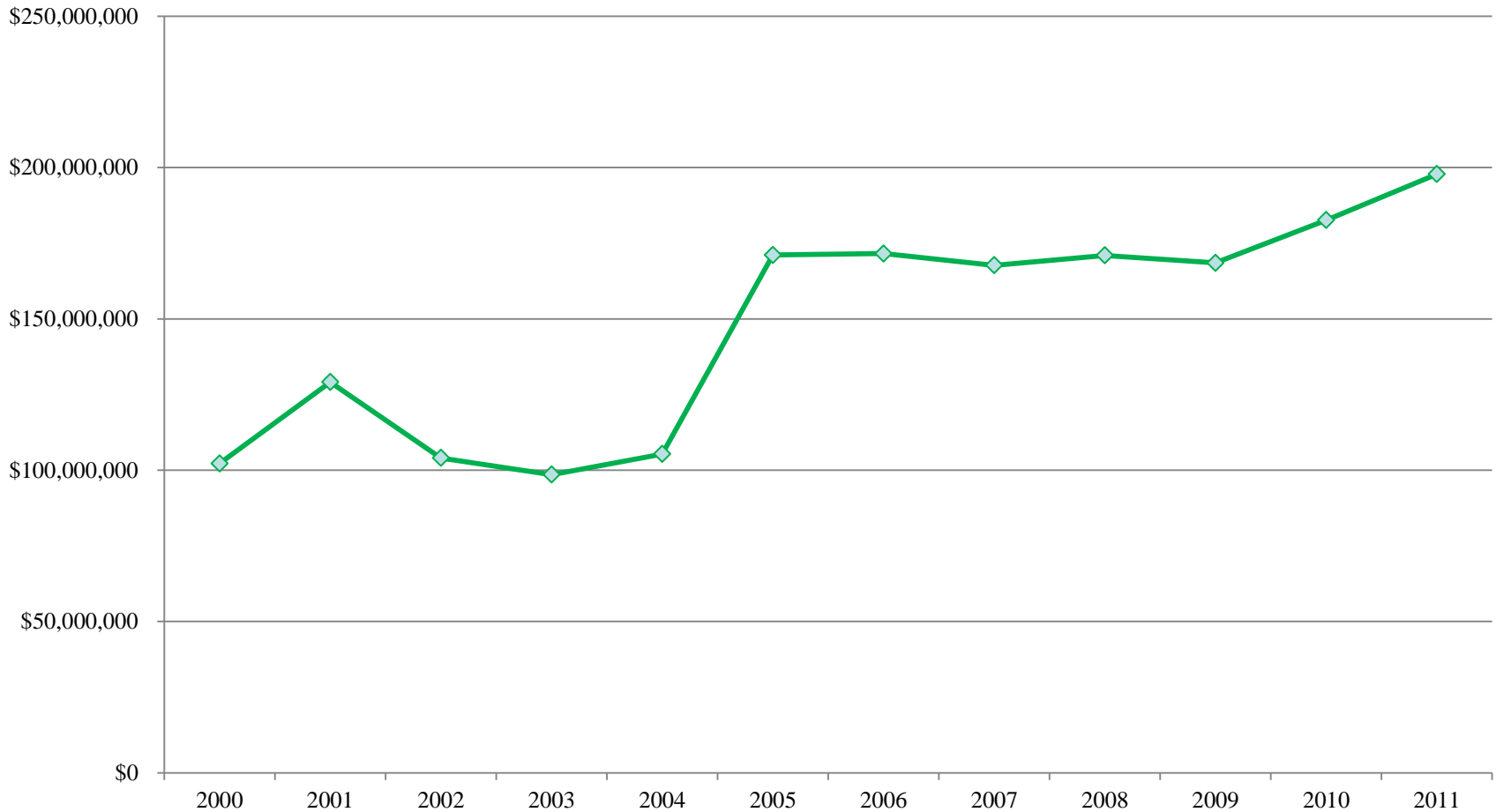
Source: OSC

IT Expenditures

for Year Ending June 30, 2011



IT Expenditures



Source: OSC

Successful IT Projects

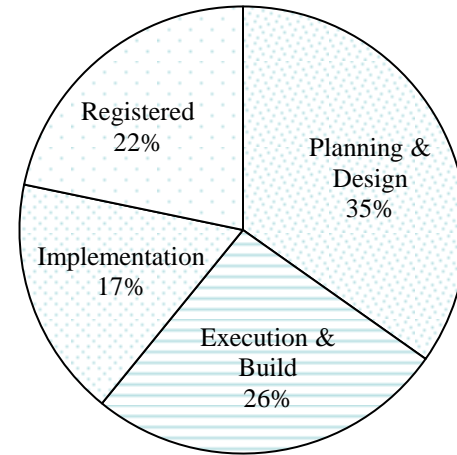
- Adhered to schedule
- Resisted changes to the project's scope
- Broke the project into discrete modules
- Assembled the right team, including IT experts from their organization, outside experts, and vendors
- Prevented turnover among team members
- Framed the initiative as a business endeavor, not a technical one
- Focused on a single target, readiness to go live, measuring every activity against it

Harvard Business Review, September 2011, Flyvbjerg and Budzier

IT Projects

- 23 Active Projects

Workflow Status	Project Totals	Project Budget
Planning & Design	8	\$150,777,371
Execution & Build	6	\$336,505,787
Implementation	4	\$8,668,623
Registered	5	\$756,500
Totals	23	\$496,708,281



- 8 Projects in Initiation

- 2 between \$100,000 and \$500,000
- 3 between \$500,000 and \$3 million
- 2 greater than \$34 million

- 1 Project in Closeout

- Health Information System
- \$33.5 million budget

What is MMIS?

- The MMIS is an integrated group of procedures and computer processing operations (subsystems) developed at the general design level to meet principal objectives.
- The objectives of this system and its enhancements include:
 - Program control and administrative costs
 - Service to recipients, providers and inquiries
 - Operations of claims control and computer capabilities
 - Management reporting for planning and control.

Centers for Medicare and Medicaid Services

MMIS History in North Carolina

- EDS won original MMIS contract
 - HP acquired EDS in 2008
 - HP continues to operate legacy system
- New contract awarded in April 2004
 - Project managed by Office of MMIS Services (OMMISS)
 - ACS selected
 - Planned completion date of June 2006 slipped into 2007
 - In May 2006, State CIO notified DHHS that project would be suspended if issues were not resolved
 - DHHS terminated contract in July 2006
 - ACS and State settled in 2007

MMIS History in North Carolina

- Second new contract
 - Awarded to CSC in December 2008
 - Schedule
 - Initial go-live date was August 22, 2011
 - CSC proposed an October 1, 2012 go-live date
 - Current operational readiness date is March 1, 2013
 - Numerous Changes
 - Cost
 - Original = \$287 million
 - Current = \$494.8 million

MMIS Funds/Implementation of MMIS (Section 10.29)

- DHHS
 - Provide detailed cost information by August 1, 2011
 - Utilize prior year earned revenue/overrealized receipts/funds with reporting requirements
 - Expedite implementation of enhancements
 - Engage private counsel for amendments in excess of \$10,000,000
 - Develop revised project schedule by August 1, 2011

S.L. 2011-145

MMIS Funds/Implementation of MMIS (Section 10.29)

- **DHHS (continued)**
 - Make quarterly progress reports beginning July 1, 2011
 - Submit reports on:
 - Reporting and Analytics Project
 - Division of Health Services Regulation Project

S.L. 2011-145

MMIS Funds/Implementation of MMIS (Section 10.29)

- State Chief Information Officer
 - Ensure timely and effective implementation of project
 - Ensure project meets all State requirements for project management and immediately report any failures
 - Report immediately if any MMIS project goes “red” in the project portfolio management tool

S.L. 2011-145

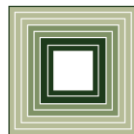
SCIO SB 991 Responsibilities

- Project review and approval
- Suspension of approval
- Performance contracting
 - Monetary penalties for projects not completed within specified time period or over cost
 - Performance bond
- Project manager review and approval
- Project management assistant designation

Questions

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